

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice DCP-38

For: State and County Offices

Printing and Mailing Possible Base Options Report and Yield Report

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

The Farm Security and Rural Investment Act of 2002 provides farm owners with several options for establishing or updating bases and yields on each 2002 farm for “covered commodities.” Notice DCP-14 instructed County Offices to begin mailing the Summary Acreage History Report along with the notification letter to each farm owner and operator. Producers were instructed to contact their County Office to provide verifiable documentation of their acreage.

The Base Options Report provides the following farm information:

- 4 years of acreage data
- the 5 base options that the owner or owners of the 2002 farm can potentially select
- subsequent acres.

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Disposal Date

January 1, 2003

Distribution

State Offices; State Offices relay to County Offices

10-2-02

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1 Overview (Continued)

A

Background (Continued)

The Yield Report provides the following farm information:

- the direct payment yield

Note: For:

- nonoilseed crops, the direct yield is equal to the crop's current PFC yield
- oilseed crops, the yield is calculated based on the "plug" that is 75 percent of the NASS county average yield.
- possible variations of counter-cyclical yield options that are calculated using 75 percent of the NASS county average yield.

Note: The counter-cyclical yield can only be updated if the producer selects Option 4 to update all bases based on actual plantings from 1998 through 2001.

B

Software Transmission

KC-ITSDO will transmit software on or about October 2, 2002.

C

Purpose

This notice instructs County Offices to:

- continue loading acreage history data in the FSA-578 software or through the View/Update Acreage Screen

Note: County Offices must ensure that all FSA-578 data for the farm is entered into the system for the farm to prevent errors in the base and yield calculation. Acreage history may be updated and a revised Base Options Report and Yield Report shall be printed for the farm.

- print the notification letter (Exhibit 1) to the operator and owner or owners of each 2002 farm
 - print the Base Options Report by selecting option 8, "Print Base Options Report", on Acreage History Screen MIB70001
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1 Overview (Continued)

C

Purpose (Continued)

- print the Yield Report by selecting option 12, “Print Yield Report”, on Acreage History Screen MIB70001
 - attach a copy of the Base Options Report and Yield Report to the notification letter for the corresponding farm before mailing
 - begin mailing notification letters **as soon as possible**, but no later than October 18, 2002.
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2 County Office Action

A

Printing the Base Options Report and Yield Report

Follow procedure in 1-DCP for printing the Base Options Report.

Only 1 Base Options Report and Yield Report will print for each farm in the county. County Offices shall reproduce enough copies of each report to ensure that a copy is sent with each notification letter.

B

Printing the Notification Letter

Select option 13, “Print Base Options and Yield Notification Letters”, on Acreage History Screen MIB70001 to print the notification letters. After option 13 is selected, current mailing software will be accessed.

The notification letters will print in farm number order. A copy of the letter will print for the operator and each owner on the 2002 farm.

Note: Printing the notification letters can fill the spool file. County Offices shall limit the number of pages printed in a batch. A report will print listing all producers for which a letter was generated. This report shall be kept on file in the County Office.

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2 County Office Action (Continued)

C

Mailing the Letter

County Offices shall ensure that, before mailing the notification letters, a copy of the Base Options Report and Yield Report are attached to a copy of each notification letter for the corresponding farm.

County Offices shall not mail letters:

- to producers on farms with zero cropland
- if the address on record in the County Office is known to be incorrect
- to “unknown” owners.

Note: Letters shall be mailed first-class.

D

Printing the Revised Base Options Report and Yield Report

If the acreage history has been corrected or updated after the initial notification, County Offices shall reprint the Base Options Report and Yield Report.

E

Processing Production Evidence

The letter notifies producers that they may begin submitting production evidence for oilseeds or to update other yields if option 4 is elected. Producers shall record production evidence on FSA-658P according to 1-DCP, paragraph 138.

Example of Notification Letter

Date

Farm Number:

Mr./Mrs. (Owner/Operator)
434 Jodphur Ave.
Waldorf, MD 12345

Dear (Owner/Operator):

This letter informs you of the necessary steps you must take to enroll in the 2002 Direct and Counter-Cyclical Program (DCP). To be eligible for DCP payments, you must: (1) by April 1, 2003, select a method to calculate bases (up to five alternatives); (2) by April 1, 2003, provide acceptable production evidence if you elect to update yields for counter-cyclical payment purposes; and (3) sign a DCP Contract by June 2, 2003.

BASE OPTIONS:

Owners of a farm may elect the method by which the base acres of all covered commodities on the farm are to be calculated. Covered commodities include wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, sunflowers, canola, flax, mustard, safflower, and rapeseed. Election must be made by the farm owner no later than April 1, 2003. Owners must select one of five base options for the farm. These five options include keeping the 2002 Production Flexibility Contract (PFC) acres as the base, three combinations of adding recent oilseed history to 2002 PFC acres, and recalculating all new bases using the farm's acreage history from 1998 through 2001. The five options, as well as the acreage history for your farm, are shown in the enclosed "Base Options Report". Contact your FSA office if you do not agree with the acreage history shown on the report.

The Farm Security and Rural Investment Act of 2002 provides that if two different crops were planted on the same acreage on a farm, owners must select one of the crops for acreage history credit. Owners may not include both the initial crop and the subsequent crop, unless both crops meet the definition of double cropping. Subsequent crop acreage is identified on the "Base Options Report" to assist landowners with this decision when making their base election.

YIELD OPTIONS:

Your farm's 2002 PFC yields will become the yields used for calculating direct payments for wheat, corn, grain sorghum, barley, oats, upland cotton, and rice. If a PFC yield is not available for your farm, the FSA County Committee will assign a direct payment yield using the PFC yields of similar farms. The direct payment yield for soybeans, sunflowers, canola, flax, mustard, safflower, and rapeseed will be determined based on your average yield on the farm from 1998 through 2001. Because the PFC yields are based on yields from the early 1980's and will be used for direct payment yields, yields for oilseeds are reduced to reflect actual yields representative of the early 1980's. This is done so that all direct payment yields reflect yields of the same time period.

Only owners electing to update all bases using 1998 through 2001 planting history have the opportunity to update yields for all covered commodities; these yields will only be used for calculating counter-cyclical payments. The

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Example of Notification Letter (Continued)

yield updates will be based on actual production evidence for your farm from 1998 through 2001, if provided. The owner must elect one of two methods to update yields for all crops on the farm.

Verifiable production evidence, loan deficiency payment documents, and production verified by Risk Management Agency can be used when updating yields. Acreage that was hayed, grazed, or taken for silage may be assigned a yield by the FSA County Committee. For any of the four years that the crop's actual yield for the farm is less than 75% of the county average, 75% of the county average will be used. You may begin immediately to report production to the county FSA office that maintains your farm records. The form to report your production evidence, FSA-658P, is available from any USDA Service Center.

The enclosed "Yield Report" is a calculation of the minimum direct and counter-cyclical payment yields. The report provides the minimum production, which is calculated by multiplying the planted acres times 75% of the county average yield. Based on the minimum production, the report provides the minimum yield for all crops on the farm. If production evidence is provided, yields will be recalculated accordingly.

ACTIONS TO BE TAKEN BY FARM OWNERS:

Owners and producers should study the enclosed information to determine the best base and yield elections for your farm. In order to assist you in making your base and yield elections for your farm, an "options tool" is available on the USDA website at "<http://www.fsa.usda.gov/pas/farmbill/tools.asp>".

No later than April 1, 2003, owners must sign a Direct and Counter-Cyclical Program (DCP) Base and Yield Election Form (CCC-515), for all farms in which they have an ownership interest. By signing the CCC-515, all owners are agreeing to the base and yield election option selected for the farm. If all owners cannot agree or an election is not made by the April 1, 2003, deadline, the DCP base for the farm will be the 2002 PFC acreage, and eligible oilseeds, if applicable. Owners must also sign the DCP Contract by June 2, 2003.

Please contact this office to begin establishing or updating base and yields for your farm and making base and yield elections.

Sincerely,

/s/ Bob C. Director

Bob C. Director
County Executive Director
Charles County FSA Office

Enclosures